

STATE OF CALIFORNIA

ENERGY RESOURCES CONSERVATION AND DEVELOPMENT COMMISSION

In the matter of:)	
)	Docket: 14-RPS-01
Amendments to Regulations Specifying)	
Enforcement Procedures for the)	
Renewables Portfolio Standard for)	
<u>Local Publicly Owned Electric Utilities</u>)	Order No. 14-0312-01

ORDER INSTITUTING RULEMAKING PROCEEDING

I. PURPOSE OF THE PROCEEDING

The California Energy Commission (“Commission”) hereby institutes a rulemaking proceeding pursuant to Public Resources Code sections 25210, 25213, and 25218 (e), Public Utilities Code section 399.30, and Title 20, California Code of Regulations, Section 1222 (a). The purpose of this proceeding is to consider amendments to the Commission’s regulations specifying enforcement procedures for the Renewables Portfolio Standard (RPS) for local publicly owned electric utilities (POUs), as set forth in Title 20, California Code of Regulations, sections 1240 and 3200 through 3208. Specifically, the Commission will consider establishing amendments to implement changes in law under Senate Bill 591 (SB 591, Stats. 2013, ch. 520). In addition, the Commission may consider amendments to clarify existing provisions in the regulations.

SB 591 amended Public Utilities Code section 399.30 to add an RPS procurement exemption for qualifying POUs. SB 591 exempts a qualifying POU from having to procure additional eligible renewable energy resources in excess of the POU’s retail sales needs not met by the POU’s existing large hydroelectric facilities, or in excess of the POU’s cost limitations adopted under the RPS program. The exemption effectively allows the POU to reduce the amount of eligible renewable energy resources it must procure to satisfy its RPS procurement requirements.

The Commission’s enforcement regulations for the RPS for POUs were adopted on June 12, 2013, pursuant to Public Utilities Code section 399.30, as enacted by Senate Bill X1-2 (Stats. 2011, 1st Ex. Sess., ch. 1) and subsequently revised by Assembly Bill 2227 (Stats. 2012, ch. 606, sec. 8). The regulations were approved by the Office of Administrative Law (OAL) and filed with the Secretary of State on August 28, 2013, and took effect on October 1, 2013. The regulations establish the rules and procedures the Commission will use to assess a POU’s procurement actions and determine whether those actions meet the RPS procurement requirements in the law. The regulations require POUs to submit various information and reports to the Commission, so the Commission may verify and determine compliance with the RPS, and, if appropriate, issue a notice of violation and correction for a POU’s failure to comply and refer the violation to the California Air Resources Board for potential penalties.

II. DELEGATION OF AUTHORITY

At this time the Commission will not appoint a committee to preside over this rulemaking proceeding (pursuant to Public Resource Code section 25211), but reserves the right to appoint a committee at a later date. Commission staff shall be responsible for taking all appropriate actions necessary to comply with all applicable legal requirements, including requirements of the Public Resources Code, the Public Utilities Code, the Administrative Procedure Act (APA), and the California Environmental Quality Act (CEQA). Staff will also ensure the timely submittal of all necessary rulemaking documents to OAL for adoption of the regulation amendments.

In conducting this proceeding Commission staff shall seek policy guidance from the lead commissioner overseeing the RPS and related renewable energy matters, and shall collaborate with staff from the California Public Utilities Commission and the California Air Resources Board on RPS-related issues pertinent to these agencies.

III. SCOPE OF THE PROCEEDING

This rulemaking proceeding will address changes in law under SB 591. According to the bill's author and legislative history, SB 591 is intended to benefit the Merced Irrigation District (MID), a POU which owns a large hydroelectric facility as part of the New Exchequer Dam on the Merced River. Under the Commission's current enforcement regulations for the RPS for POUs, generation from such a large hydroelectric facility may not be used by MID to satisfy its RPS procurement requirements. Amendments to the current regulations are therefore needed to implement SB 591.

In addition, the Commission may consider amendments to clarify existing provisions in the current regulations. The purpose of any such amendments would be to clarify the regulation as originally contemplated and adopted by the Commission in 2013.

IV. PUBLIC PARTICIPATION

The Commission encourages public participation in its proceedings. Any person present at any hearing or workshop shall be afforded a reasonable opportunity to make oral comments on the subject of the proceeding. Written comments are also welcome and encouraged. Unless otherwise specified in the notice of any hearing or workshop, written comments must be submitted to:

California Energy Commission - Docket Unit
Attn: Docket No. 14-RPS-01
1516 Ninth Street, MS-4
Sacramento, CA 95814-5512
docket@energy.ca.gov

To foster public participation in this proceeding the Commission's Executive Director, in conjunction with the Public Adviser, shall ensure that information regarding this order and any notices of hearings or workshops related to the proceeding are distributed to all interested persons and made available on the Commission's website. The Executive Director shall also

ensure that sufficient advance public notice is provided prior to the Commission's consideration or adoption of any amendments to the regulations. The initial distribution list for this proceeding shall include all individuals and entities identified on the Commission's list serve distribution list for the RPS proceeding under Docket No. 13-RPS-01.

The Commission's Public Adviser is available to assist individuals that want to participate in this proceeding. For additional information, please contact the Public Adviser at (916) 654-4489 or toll-free in California at (800) 822-6228, or via email at publicadviser@energy.ca.gov.

CERTIFICATION

The undersigned Secretariat to the California Energy Commission does hereby certify that the foregoing is a full, true and correct copy of an Order duly and regularly adopted at a meeting of the California Energy Commission held on March 12, 2014.

AYE:

NAY:

ABSENT:

HARRIET KALLEMEYN,
Secretariat